**Buying a Home Assignment**

You have been working for a few years now and have saved a nice down payment of $25,000. Now you want to buy a home! We will assume you have saved enough for all the closing costs as well. Use the table to answer the following questions.

**Get Pre-Approved!**

* + Let’s assume you have good credit - use ratehub.ca to find a mortgage rate that you will qualify for.
    1. What is the term, interest rate and Mortgage Company?
  + Next let’s find out how much you can afford for a home!

1. Go to: <https://www.cmhc-schl.gc.ca/en/co/buho/buho_020.cfm>
   * + - Enter following information:
         1. Gross Monthly Household Income: $6000 ($72,000 Annually)
         2. Monthly Debt Payments: $500 ($250 Car, $250 Student Loan)
         3. Property Taxes: $250
         4. Condo Fees: $150 (only if you anticipate buying a condo)
         5. Monthly Heating Costs: $75
         6. Amortization: 25 years

**Go Shopping!**

* + Go to realtor.ca and search for a home in Regina or surrounding area that you would like to buy! Assume you are buying the house for the asking price listed on MLS.ca

**Payment Time!**

* + Go to <http://cgi.scotiabank.com/mortgage/payment/en/payment.html> and enter in the information in regards to your purchase.

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| **Pre-Approval** | | |
|  | **Mortgage Company:** |  |
|  | **Mortgage Type & Term:** |  |
|  | **Mortgage Rate:** |  |
|  | **Maximum Mortgage:** |  |
|  | **Maximum House Price:** |  |
|  | **Maximum Monthly Mortgage Payment:** |  |
|  | **CMHC Mortgage Loan Insurance Premium:** |  |
| **Go Shopping** | | |
|  | **Home Type: (Condo, Single Detached, Duplex)** |  |
|  | **Selling Price:** |  |
|  | **Address:** |  |
|  | **Neighborhood:** |  |
|  | **PRINT OFF REALTOR.CA PAGE** | |
| **Payments** | | |
|  | **Actual Mortgage Amount:** |  |
|  | **Payment Frequency:** |  |
|  | **Interest Rate:** |  |
|  | **How much interest will you pay in the first year?** |  |
|  | **How much principal will you pay off in the first year?** |  |
|  | **How much interest will you pay in the 25th year?** |  |
|  | **How much principal will you pay off in the 25th year?** |  |
|  | **How much interest will you pay over the entire 25 year amortization?** |  |
|  | **What is the total cost of the house?** |  |
|  | **PRINT YOUR RESULTS** | |

**Questions:**

1. Why did you choose the Mortgage Company and mortgage you did?
2. Did you spend the maximum, minimum or somewhere in the middle of what CMHC said you could spend? Why did you spend that amount?
3. What made you buy the house did? List 5 things that made you pick the house you did over the other houses currently on the market?
4. What is your mortgage payment? Do you think that is a reasonable amount to pay to own real estate? Consider how much money you would have to spend on everything else you need to buy.